

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

In the Matter of the Arbitration Between

Name of Claimants

Joseph Klein and Eva Klein

95-00147

Name of Respondents

Kirlin Securities, Inc.
Bernard Cohen

CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on February 2, 1995, Claimants Joseph Klein and Eva Klein ("Claimants"), who appeared Pro Se, alleged that Respondent Bernard Cohen ("Cohen"), while employed with Respondent Kirlin Securities, Inc. ("Kirlin") sold Claimants 10 units of tax-exempt securities on January 5, 1990. Claimants further alleged that Cohen represented that Claimants would receive 9.15% interest and would receive the full amount of their principal at maturity. Claimant contended that Cohen failed to disclose that the bond was old, that the principal was being paid out over a few years from before Claimants' purchase, and that when the bond was called Claimants did not receive back the full principal amount. As a result of the above, Claimants alleged that they have suffered damages for which the Respondents should be held liable.

Respondents, Kirlin Securities, Inc. and Bernard Cohen, through Robert A. Paduano, Executive Vice President of Kirlin Securities, Syosset, New York, maintained that Claimants were experienced investors with many years experience with similar types of investments. Respondents further maintained that Claimants were made aware of the details of the investment both verbally and in writing, were provided with additional literature, and that the investment met Claimants' investment objectives. Respondents asserted that Claimants made a profit on their investment due to the \$2,750.10 in interest they received, and that Claimants received principal distributions totalling \$3,418.10. Respondents deny making any guarantees to Claimants regarding principal and interest, stated that Cohen explained to Claimants that the 9.15% was an estimated current yield, and further stated that the calling of the bonds was outside of the control of Respondents. As a result of the above, Respondents contended that they should not be held liable in this matter.

RELIEF REQUESTED

Claimants Joseph Klein and Eva Klein requested \$1,216.15 in actual damages.

Respondents Kirlin Securities, Inc. and Bernard Cohen did not specifically state a relief.

AWARD

Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single public Arbitrator, Edward T. Hill, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimants on January 9, 1995 and by the Respondents on April 5, 1995.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. The Statement of Claim filed by Claimants Joseph Klein and Eva Klein, is denied and dismissed in its entirety.
2. The parties shall bear their respective costs.
3. The \$50.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. ("NASD") by the Claimant shall be retained by the NASD, Inc. Respondents Kirlin Securities, Inc. and Bernard Cohen are hereby jointly and severally liable for and shall pay to Claimants Joseph Klein and Eva Klein \$25.00 as reimbursement of one-half of the filing fee.

AFFIRMATION

I, **EDWARD T. HILL**, do hereby affirm upon my oath of arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

Edward T. Hill

Signature of Arbitrator

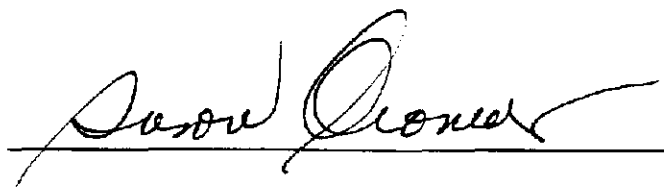
DATE OF DECISION:

June 13, 1995

STATE OF: *New York*

COUNTY OF: *Westchester*
SS:

On this 13 day of June 19 95, before me personally appeared **EDWARD T. HILL** to me known and known before me to be the individual described in and who executed the foregoing instrument and he duly acknowledged to me that he executed the same.



SUSAN CIAMARRA
Notary Public, State of New York
No. 4762712
Qualified in Westchester County
Commission Expires August 21, 1995